

Under the bill, economic development activities are defined as the construction and rehabilitation of housing, downtown and neighborhood commercial revitalization, industrial development and redevelopment, small and minority business assistance, neighborhood marketing, training and technical assistance, research and planning for nonprofit development groups, and other activities that create permanent private sector jobs.

Because of their continued involvement in the community, I believe it is best to work with CDC's to finance these activities. CDC's are established by national banks or bank holding companies and are regulated by either the Federal Reserve or the U.S. Treasury, depending on the particular corporation. The CDC's offer incentives for banks to participate in local community development projects. In exchange, bank regulatory agencies allow CDC's more flexibility with their investments. Under this setup, the Federal Government benefits from private sector organizations investing in their local communities, while CDC's benefit from higher yield investments, such as real estate and more chancy businesses.

As we all know, Mr. Speaker, it is essential that the private sector invest in its community. The Federal Government cannot and should not be the only entity investing in our depressed communities. This is why I believe my bill is significant. In the past, I have had moderate success with passing comparable programs. During the 101st Congress, I offered similar legislation as an amendment to the Cranston-Gonzalez National Affordable Housing Act, Public Law 101-625, when it was under consideration on the House floor. Although I was successful at attaching the measure, it was stripped during conference. More recently, I was able to attach a provision to the Economic Development Administration and Appalachian Regional Commission reauthorization bill that allowed the EDA to buy down interest loans on private economic development loans.

Despite this success, much more is needed to stem the tide of hopelessness in our communities. My bill is important because it merges two existing community development tools, CDC's and enterprise communities. Both have had limited success on their own on the local and State level, but with a jump start from this Federal demonstration program, we can combine them and incentivize investment.

Since 1977, my community has been devastated by an exodus of 55,000 manufacturing jobs. Unemployment in Youngstown, OH is twice that of the national average. I have seen first hand the hopelessness of a community crumbling around its citizens. As representatives of Americans like these, it is our duty to help them help themselves, to lend a hand so that they can return their communities to the thriving, healthy environment it once was.

We can begin this process, Mr. Speaker, through passage of this bill. I urge my colleagues to cosponsor the Economic Development Loan Assistance Program Act of 1995.

H.R. —

SECTION 1. SHORT TITLE.

This Act may be cited as the "Economic Development Loan Assistance Demonstration Program Act of 1995".

SEC. 2. ESTABLISHMENT AND SCOPE OF DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall carry out a program to demonstrate the effective-

ness of encouraging economic development in enterprise communities by making grants to community development corporations for reducing interest rates on loans for economic development activities in the enterprise communities.

(b) SELECTION OF ENTERPRISE COMMUNITIES.—

(1) NUMBER.—The Secretary shall carry out the demonstration program under this Act with respect to 5 enterprise communities, which the Secretary shall select not later than the expiration of the 30-day period beginning on the date of the enactment of this Act.

(2) DIVERSITY.—Of the enterprise communities selected under this subsection, not less than 2 shall be located in rural areas (as defined in section 1393(a) of the Internal Revenue Code of 1986) and not less than 2 shall be located in metropolitan statistical areas (within the meaning of section 143(k)(2)(B) of such Code). In selecting the enterprise communities, the Secretary shall provide for national geographic diversity among enterprise communities participating in the demonstration program.

SEC. 3. GRANTS FOR ECONOMIC DEVELOPMENT LOAN ASSISTANCE.

(a) AUTHORITY.—Under the demonstration program under this Act, the Secretary may make grants to any community development corporation sponsored by a bank or thrift institution, by a nonbank economic development corporation, or by residents of an enterprise community selected under section 2(b).

(b) USE.—Each community development corporation receiving a grant under the demonstration program under this Act shall use the grant amounts to assist businesses and nonprofit organizations by reducing interest rates on loans for economic development activities carried out in an enterprise community selected under section 2(b).

(c) OTHER REQUIREMENTS.—The Secretary shall require each community development corporation receiving a grant under the demonstration program under this Act to—

(1) use the grant amounts to reduce the interest rate on a loan described in subsection (b) by an amount not to exceed 60 percent of the market rate of interest on such loan; and

(2) take any actions necessary to inform businesses and nonprofit organizations of the availability of such loans, including holding informational meetings, making public announcements, and placing notices in newspapers and other publications.

SEC. 4. MONITORING.

The Secretary shall monitor the use of grants made under this Act and the costs of administering such grants.

SEC. 5. REPORTS AND STUDY.

(a) ANNUAL REPORT.—The Secretary shall submit to the Congress, not later than 1 year after the date that amounts to carry out this Act are first made available under appropriations Acts and for each year thereafter in which amounts are available to carry out the demonstration program, a report containing an evaluation of the effectiveness of grants made under the demonstration program.

(b) STUDY AND REPORT ON EXPANDED PROGRAM.—

(1) STUDY.—The Secretary shall conduct a study regarding the effects and costs of carrying out a long-term and expanded program of making grants for the purposes under this Act. The study shall determine the need for such grants and the amount of funds necessary to carry out an effective program of national scope.

(2) REPORT.—The Secretary shall submit to the Congress, not later than September 30, 1998, a report regarding the results of the study under paragraph (1) and any rec-

ommendations for carrying out a program as described in paragraph (1).

SEC. 6. DEFINITIONS.

For the purposes of this Act:

(1) ECONOMIC DEVELOPMENT ACTIVITIES.—The term "economic development activities" means the construction and rehabilitation of housing, downtown and neighborhood commercial revitalization, industrial development and redevelopment, small and minority business assistance, neighborhood marketing, training, and technical assistance, research and planning for nonprofit development groups, and other activities which create permanent private sector jobs.

(2) ENTERPRISE COMMUNITY.—The term "enterprise community" means an area that is designated as an enterprise community under section 1391 of the Internal Revenue Code of 1986.

(3) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act in fiscal years 1996, 1997, and 1998 a total of \$100,000,000.

SEC. 8. REGULATIONS.

The Secretary may issue any regulations necessary to carry out this Act.

TRIBUTE TO LYDIA BALDINI PIOMBO

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Ms. ESHOO. Mr. Speaker, I rise today to honor Lydia Baldini Piombo, an outstanding citizen of the 14th Congressional District who passed away last November after 70 extraordinary years of life. She was a devoted wife and the mother of 5 loving children, and the proud grandmother of 10. She was married to Frank Piombo, one of California's most distinguished jurists, for a remarkable 47 years, and was a partner in all he did.

In addition to her family, Lydia Piombo's other great love was St. Anthony's Padua Dining Room in Menlo Park, CA. Through St. Anthony's exemplary efforts to feed the hungry, Lydia Piombo touched the lives of literally thousands of people. She served on St. Anthony's board for 15 years, including a term as president, and guided the organization in its vital work with her intelligence, common sense, warmth, and always her wisdom. Our community has been enriched beyond measure because of her faithful devotion to serving those who were in need, alleviating their hunger of both the body and the spirit.

Mr. Speaker, Lydia Baldini Piombo was a shining light amongst us, inspiring all who knew her or benefited from her care and concern. Her devotion to and understanding of humanity was unsurpassed as she lived each day embracing the belief that we are all God's children.

She lives on through her children and grandchildren, through her devoted husband Frank, and all of us who were blessed to be part of her life.

Mr. Speaker, I ask my colleagues to join me in paying tribute to a noble woman who lived a life of purpose and extend our deepest sympathy to Frank Piombo, the Piombo children and grandchildren. Lydia Piombo's legacy is

that she made each one of us better, and because of her our community and our country have been immeasurably bettered as well.

THE HONEST BUDGET RESOLUTION

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Mr. GEPHARDT. Mr. Speaker, while the Republicans advance their "Contract With America," Democrats will stay true to the oldest contract we have in this country: to disavow Government by gimmickry, and to govern in an open, honest, responsible way. Rather than rewriting the Constitution in a flash of ideological ink, it's time to live up to the principles of the Constitution itself.

So I am introducing House Resolution 33, the Honest Budget Resolution, and I am delighted that both the President and Senate Democratic leader TOM DASCHLE are joining me in supporting its passage. It says simply that before a balanced budget constitutional amendment can be sent to the States for debate, Congress must pass a plan to show exactly how we would balance the budget. Our States have a right to know. The people deserve a real plan of action—not just a bill of goods.

Democrats support balancing the budget as long as it's done honestly and responsibly. That's why we passed the largest deficit reduction package in history, without a single Republican vote. It was a \$500 billion down payment toward getting our fiscal house in order.

Republicans talk a good game about cutting the deficit, but actions speak louder than words. For years, they claimed that if they were in power, they could balance the budget. Now that they have the gavel, they're discovering what Democrats already knew, balancing the budget means tough choices. And the American people have a right to know what those choices will be.

After all, at the dawn of the 1980's, Republicans claimed they could give huge tax breaks to the wealthy, enact massive defense increases, and balance the Federal budget at the same time. The rhetoric didn't come close to the reality. Trickle down economics raised taxes on the middle class, exploded the deficit, and devastated our economy.

Today, that same fool's gold glimmers in the Republicans' eyes. More tax breaks for the wealthy; a tougher tax burden on hard-working, middle-class families. More space invaders defense systems; less support for crucial needs here at home. Reaganomics was a catastrophe in 1981, and it won't work in 1995.

When the Republicans bring their balanced budget amendment before the House, they must expect more from Democrats than blind faith without real proof. Democrats will demand that they give us facts, not fiction. Seniors have a right to know if Social Security or Medicare will be on the chopping block. Veterans have a right to know if their pensions will be slashed. Parents have a right to know if school funding or college loans will evaporate. Farmers have a right to know if Government will abandon its mission to help them feed our Nation.

It's time for the Republicans to put their money where their mouth is. The honest budget bill will force them to do that, once and for all.

INTRODUCTION OF THE MEDICARE SELECT EXPANSION ACT OF 1995

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, today I am introducing a proposal to expand and make permanent the Medicare Select Program. My colleague, Senator CHAFEE will be introducing an identical proposal in the Senate today as well.

The Medicare Select Program is currently a demonstration project that operates in only 15 States. It provides America's senior citizens with a Medigap managed care option. The program has been extremely successful. There are currently over 450,000 individuals enrolled in Medicare select policies. These individuals are enjoying premium savings over traditional fee-for-service Medigap policies that range from 10 to 37 percent. In real world terms, these reduced premiums translate into savings of up to \$25 a month or \$300 a year. This is obviously a significant savings for individuals on fixed incomes.

In addition, these policies are proving to be among the highest quality products available in the Medigap market today. In August 1994, Consumer Reports rated the top Medigap insurers nationwide. Eight of the top rated products were Medicare select plans. To date, there have been no reported abuses or problems with the Medicare Select Program.

This program also enjoys broad bipartisan support. Last year, 239 members cosponsored legislation to extend the program. In addition, the National Governors Association, the National Association of Insurance Commissioners, National Conference of State Legislatures, Families USA, and the National Committee to Preserve Social Security, and Medicare support expanding and making this program permanent.

The savings and benefits associated with the Medicare Select Program should be available to all of America's senior citizens. By expanding the program and making it permanent, Medicare select products will become much more broadly available and hundreds of thousands of seniors will, for the first time, be able to recognize the savings current participants in the program enjoy.

Mr. Speaker, Medicare select is now set to expire at the end of June. If this Congress does not move quickly to enact this legislation, America's senior citizens will lose access to one of the most successful programs in recent history. I strongly encourage my colleagues to cosponsor this legislation and look forward to providing seniors continued access to this very important program.

175TH ANNIVERSARY OF THE
FIRST PRESBYTERIAN CHURCH
OF MAUMEE

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Ms. KAPTUR. Mr. Speaker, it is my pleasure to rise today in honor of the 175th anniversary of the First Presbyterian Church located in Ohio's 9th district.

Beginning on January 9, 1820, with the settlement of 11 pioneers as charter members, the contributions of the First Presbyterian Church have stretched through a rich and diverse history. Built on a site that was once used to house a British battery, the founders of Maumee, Ohio's First Presbyterian Church began a mission to provide spiritual guidance and sustenance that continues today.

Like all churches, First Presbyterian's greatest asset and resource is her congregation. Even as Maumee's prosperity began to shift to the neighboring city of Toledo and membership was declining rapidly, the church members continued their mission. In 1870, when it became impossible to meet the pastor's salary of \$900 and he was subsequently transferred to a larger parish, First Presbyterian's congregation pulled together and raised the resources necessary to maintain and continue the church's ministry.

As everyone in this historic Chamber knows, America's greatest strength is her communities and their willingness to contribute in times of national need and emergency. In keeping with this tradition and beginning with the Civil War, and continuing with World War I, World War II, the Korean conflict and Vietnam, the church made innumerable and immeasurable contributions from her congregation and her ministry. Now, this proud history and tradition has become the wellspring of the church's continuing efforts to respond to today's challenges with a new era of service and devotion.

As the congregation of the First Presbyterian Church of Maumee begins to respond to new challenges and create tomorrow's history, let us remember the contributions of its first 175 years—and congratulate them on their willingness to serve their community, their country, and their fellow man.

SALUTE TO FRANCIS SORRENTINO

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Mr. FOGLIETTA. Mr. Speaker, I rise to pay tribute to one of my constituents, Mr. Francis "Frank" Sorrentino, who is retiring from the Pennsylvania Department of Transportation (PennDot) after 34 years of distinguished and dedicated service.

Mr. Sorrentino, who received both his BSCE and MSCE from Drexel University in Philadelphia, has served for the past 5 years as the assistant district engineer for services in engineering district 6-0. The services unit has provided support activities for all of the PennDot design, construction and maintenance activities in the district 6-0 jurisdiction of bucks,